

March 12, 2009

The Honorable Michael E. Fryzel  
Chairman, National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

The Honorable Rodney E. Hood  
Vice Chairman, National Credit Union Administration

The Honorable Gigi Hyland  
Board Member, National Credit Union Administration

**Re: Advanced Notice of Proposed Rulemaking for Part 704 Comments**

Chairman Fryzel, Vice Chairman Hood, and Board Member Hyland:

**Dividing the Corporate System into smaller entities for specific functions would generate higher fees or lower interest income due to the costs of maintaining different organizations.**

Corporates remain the primary financial institution for many credit unions and credit union owned organizations. Restructuring the corporate system would reduce the interest income and increase fees for credit unions that have come to rely on this system.

It would be imprudent to limit or force credit unions to move to the banking industry system and eliminate options for credit unions. We support that the corporate structure remain intact with capitalization levels appropriate for the business lines or operational risk.

As credit unions grow and become more sophisticated in their services and product offerings, Corporates must grow and become more sophisticated also as Credit Union primary source of wholesale products. This requires larger, not smaller entities both to manage the expertise necessary and to achieve an economy of scale necessary to profitably offer those services. To force Corporates backwards on growth when natural person credit unions are growing is a disservice to both.

**The Field of Membership should be determined by their Board of Directors within the realm of the current regulation.**

Additional restrictions aid the banking industry in their 74-year fight to confine credit unions. The field of membership issue has nothing to do with what is happening in the economy or environment we are in. Competition amongst the wholesalers brings value to the purchasers.

meridiantrustfcu.org • 1-800-726-5644

2223 Warren Avenue  
P.O. Box 548 (82003)  
Cheyenne, Wyoming 82001  
307-635-7878

4349 E. Lincolnway  
P.O. Box 548 (82003)  
Cheyenne, Wyoming 82001  
307-635-7878

873 Main Street  
P.O. Box 89  
Lander, Wyoming 82520  
307-332-3120

180 N. Center, Ste. #4  
P.O. Box 4131  
Jackson, Wyoming 83001  
307-734-8034

1817 Mahoney St.  
P.O. Box 1018  
Rawlins, Wyoming 82301  
307-423-2024

**Limiting products and services based on this incomparable environment is an anticompetitive approach.**

This is an absolute disservice to the natural person credit unions the corporates serve. It is as if we are rolling back to 1970 when there was heightened regulation and lack of competitive advantage. It takes a wide range of products, services, and choices for natural credit unions to manage their assets properly. To limit corporates, is to limit those they are organized to serve.

Requiring sensible capitalization levels for the various business models would be more prudent than limiting the products, investments, and services.

**Compensating Corporate Directors does not always correlate to talent and expertise.**

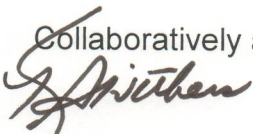
Restructuring the financial cooperative into a model for compensating directors is counterintuitive. It stops being a cooperative and becomes a bank.

**We support the corporate system and the credit union industry.**

With the write down of the NCUSIF deposit and increase in premium, even though mandatory, reflects the support of the system. We were not excited how it was less than collaborative either in its roll out or in only having a 60 day window to reply. It is an extensive task of evaluating the impact and the risks involved of having the corporate system simply disbanded.

The system is designed to withstand many ups and downs in the market. It should remain an option for all credit unions. Without it, the financial cooperative model will be gutted.

Collaboratively and Cooperatively,



Kimberley A. Withers,  
President/CEO

Sent via U.S. Post and Email to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)